

ASSEMBLY BILL

No. 1813

Introduced by Assembly Member Quirk

February 18, 2014

An act to add Section 38566 to the Health and Safety Code, relating to greenhouse gases, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1813, as introduced, Quirk. California Global Warming Solutions Act of 2006: Low-Carbon Fuel Standard.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit to be achieved by 2020 equivalent to the statewide greenhouse gas emissions levels of 1990. The state board additionally is required to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations.

This bill would establish the Fuel Producer Capital Assistance Program to distribute moneys, upon appropriation by the Legislature, to liquid-transportation-fuel producers who wish to locate within the state a large-scale production facility that produces more than 3,000,000 gallons per year, as specified. The bill would establish the Fuel Producers Capital Assistance Fund and would appropriate \$100,000,000 from the Greenhouse Gas Reduction Fund to implement the program.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislation finds and declares that
2 low-carbon liquid transportation fuels are an important element
3 of the state's greenhouse gas emissions reduction policy and that
4 increasing the supply of those fuels will help the state achieve its
5 greenhouse gas emissions reduction goals.

6 SEC. 2. Section 38566 is added to the Health and Safety Code,
7 to read:

8 38566. (a) The Fuel Producer Capital Assistance Program is
9 hereby established. Upon appropriation by the Legislature, the
10 state board shall distribute moneys to liquid-transportation-fuel
11 producers who wish to locate within the state a large-scale
12 production facility that produces more than 3,000,000 gallons per
13 year.

14 (b) (1) The Fuel Producers Capital Assistance Fund is hereby
15 established in the State Treasury. Upon appropriation by the
16 Legislature, moneys in the fund shall be used to implement this
17 section.

18 (2) The sum of one hundred million dollars (\$100,000,000) is
19 hereby appropriated from the Greenhouse Gas Reduction Fund,
20 established pursuant to Section 16428.8 of the Government Code,
21 to the state board to implement this section to further the regulatory
22 purposes of the act.

23 (c) A large-scale production facility that receives financial
24 assistance pursuant to this section shall produce fuels that achieve
25 both of the following:

26 (1) Have an average greenhouse gas intensity that is no greater
27 than 50 percent of California reformulated gasoline, as determined
28 by the Low-Carbon Fuel Standard regulations adopted by the state
29 board.

30 (2) Do not use food commodities as feedstock.

31 (d) The state board may distribute the moneys as, but not limited
32 to, capital development grants, loan guarantees, or public-private
33 partnerships.

34 (e) The project solicitation and selection process shall be
35 conducted in a public and transparent manner consistent with the
36 Bagley-Keene Open Meeting Act (Article 9 (commencing with
37 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of
38 the Government Code), the Public Records Act (Chapter 3.5

1 (commencing with Section 6250) of Division 7 of Title 1 of the
2 Government Code), and the State Contract Act (Chapter 1
3 (commencing with Section 10100) of Part 2 of Division 2 of the
4 Public Contract Code).

5 (f) Projects shall be selected for their ability to achieve all of
6 the following goals:

7 (1) Technological potential.

8 (2) Cost-effectiveness.

9 (3) Potential for the production process to be adopted in other
10 states and nations.

11 (4) Scalability.

12 (5) Certainty that the project will produce at a predicted level.

13 (6) Ability of the project to repay the initial investment by the
14 state.

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